

**Bill Summary**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1396</b>
<b>Version:</b>	<b>CCR</b>
<b>Request No.:</b>	<b>3892</b>
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**Bill Analysis**

SB 1396 amends various provisions of law relating to the Supplemental Hospital Offset Payment Program (SHOPP). The measure provides that the Hospital Advisory Committee shall be comprised of 5 members recommended by a statewide association representing rural and urban hospitals. The Committee shall meet at least once per year and must be consulted by the Health Care Authority at least 30 days prior to submission of any proposed state plan amendment or proposed directed payment application and prior to adoption of any administrative rule that may affect either the assessments or hospital access payments authorized by this measure.

Additionally, the measure provides that \$130 million of funds generated from SHOPP shall be transferred annually to the Medical Payments Cash Management Improvement Act Programs Disbursing Fund to fund the state Medicaid program. Funds shall also be used for the nonfederal share of the upper payment limit gap, the managed care gap, the managed care provider incentive pool, the annual fee to the Authority, and \$30 million to be transferred by the Authority to the Medical Payments Cash Management Improvement Act Programs Disbursing Fund. The managed care gap shall be calculated by the Authority using a 90% average commercial rates benchmark for determining the maximum amount that will be paid for hospital inpatient and outpatient services, subject to approval by the federal Centers for Medicare and Medicaid Services. Each eligible hospital shall receive from the hospital inpatient managed care payment pool a per-discharge uniform add-on amount to be applied to each eligible hospital's Medicaid managed care discharges for that calendar year. Each eligible hospital shall receive from the hospital outpatient managed care payment pool a uniform percentage add-on amount to be applied to the base rate claims payments for hospital outpatient Medicaid managed care encounters at eligible hospitals for that calendar year. The measure also requires the Authority to make each quarterly hospital access payment within 14 calendar days of the date on which each quarterly payment of an annual assessment is due. The measure outlines payment requirements for contracted entities.

**CCR Changes**

The Conference Committee Report for SB 1396 completely substitutes engrossed language with the language described above.

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